



Honorable August B. Landis
United States Bankruptcy Judge



Entered on Docket
July 10, 2015

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

* * * * *

In re:)	Case No. 15-10116-ABL
)	
NW VALLEY HOLDINGS LLC,)	Chapter 11
)	
Debtor.)	Hearing Date: July 6, 2015
)	Hearing Time: 3:00 p.m.

ORDER DENYING PLAN CONFIRMATION

On July 6, 2015, the Court issued its oral ruling regarding the Debtor's Chapter 11 Plan of Reorganization (ECF No. 44)¹ ("Plan"), filed by debtor NW Valley Holdings LLC ("Debtor").

At the July 6, 2015, oral ruling, attorney Matthew C. Zirzow appeared on behalf of the Debtor. Charles C. Reardon appeared telephonically as the designated responsible person for the Debtor. Attorney Peter J. Roberts appeared on behalf of U.S. Bank National Association, as the Plan Administrator for the KHI Post-Consummation Trust and the Liquidation Trust Administrator for the KHI Liquidation Trust. Attorney Gregory Garman appeared and Michael Stern appeared telephonically on behalf of Kyle Entity Holdings, LLC.

To the extent that the Court made findings of fact and conclusions of law in the course of its oral ruling on July 6, 2015, those findings of fact and conclusions of law are incorporated into this Order by this reference pursuant to FED. R. CIV. P. 52(a), made applicable to this

¹In this Order, references to "ECF No." are to the numbers assigned to the documents filed in the case as they appear on the docket maintained by the Clerk of the Court.

1 contested matter pursuant to FED. R. BANKR. P. 9014(a) and (c) and 7052.

2 For the reasons stated on the record:

3 **IT IS ORDERED** that confirmation of the Plan is **DENIED**, as Debtor failed to carry
4 its burden of proving that each of the confirmation requirements set forth in 11 U.S.C.
5 § 1129(a)(1) have been met. Specifically Debtor failed to prove that:

6 A. 11 U.S.C. § 1129(a)(1) is satisfied, because:

7 (i) the Plan improperly classifies Class 3 General Unsecured Claims as unimpaired in
8 violation of 11 U.S.C. § 1124(a)(1);

9 (ii) the misclassification of Class 3 General Unsecured Claims as unimpaired
10 improperly eliminates the right of the Class 3 creditors to vote to accept or reject
11 the Plan in violation of 11 U.S.C. § 1126; and

12 (iii) the exculpation provisions in the Plan violate 11 U.S.C. §§ 524(e) and 1123(b)(6);

13 and also failed to prove that:

14 B. The “best interest” test under 11 U.S.C. § 1129(a)(7) has been met.

15 **IT IS FURTHER ORDERED** that denial of confirmation is without prejudice to the
16 Debtor’s ability to propose a modified Plan in this case.

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18 Notice and copies sent to:

19 ALL PARTIES VIA BNC MAILING MATRIX

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